# Industrial Revitalization Fund (IRF)

How-to-Apply Workshop



### Workshop Agenda

- Introductions
- IRF Background
- IRF Qualification Requirements
- Timeline
- The Application
  - Overview
  - Funding Priorities
  - CAMS
- Questions?

### **Industrial Revitalization Fund**

Program to leverage local and private resources to achieve market-driven redevelopment of vacant and deteriorated structures that:

- Are no longer suited for their former purpose
- Deter future economic opportunity in surrounding area and region
- Once redeveloped could become catalyst for employment opportunities and on-going revitalization.

### 2014 Funding Round

- Funding: \$2 Million
- Number of Applications: 17
- Successful applicants:
  - City of Martinsville- Henry Hotel Redevelopment Project: \$600,000
  - St. Paul IDA- Willis Building Rehabilitation Project: \$600,000
  - Town of Clifton Forge- Masonic Theater Rehabilitation and Expansion Project: \$250,000
  - City of Hopewell 328 E. Broadway Rehabilitation Project: \$387,900
  - Wise County Industrial Development Authority Wise Inn Redevelopment Project: \$200,000

### 2015 IRF Program

- \$2 Million in Available Funding
- Maximum funding award is \$600,000/project
- Payment will be on a reimbursable basis for costs incurred/invoiced.

### Eligible Applicants

- Eligible for local governments
  - Cities , Counties, Towns.
  - Regional or local IDAs and EDAs.

\*Only ONE application per locality per funding round\*

#### **IRF** Grants

#### Local governments may apply for an IRF GRANT when...

- Property is publicly owned.
- Private property has an option agreement or contract in place to purchase at time of application.
- The owner of the private property is a non-profit entity.

#### **Conditions:**

- Property must be conveyed to locality before grant will be disbursed.
- Upon sale of the property to private for-profit entity, IRF grant must be repaid to DHCD
- Can designate a Redevelopment Authority or similar organization as an agent for implementation & administration

#### **IRF** Loans

Local governments MUST apply for an IRF LOAN on behalf of a private entity under the following conditions:

- Financing to complete the entire project must be in place.
  - Acceptable evidence: formal letters of interest, term sheets, or commitment letters.
- Projects must be ready to close the IRF loan within 6 months from DHCD's project award notification.
- IRF loans will not close before all other sources of primary financing are closed or commitment letters with a closing date have been issued.
- Virginia Community Capital underwrites loan agreement.
  - Grant to VCC, VCC loans to Developer, Principal/Interest goes to VCC

#### Standard Loan Terms

The following standard terms and conditions will apply unless a regionally significant project requires more favorable terms.

- 2.5%
- 10 Years
- 1% Commitment Fee; 50% due within 14 business days of execution of agreement and the remainder due at IRF closing.

### Eligible Properties

- Not strictly limited to "Industrial"
- Vacant and deteriorated properties
  - -Industrial
  - -Commercial
  - Any large-scale non-residential
  - —Multiple properties, if adjoining

	1 1 7 3					
Former Use:						
Eligible		Ineligible				
•	Manufacturing	•	Solely residential			
•	Warehousing	•	Scattered site projects			
•	Mining					
•	Transportation					
•	Power production					
•	Department stores					
•	Theaters					
•	Hotels					
•	Shopping centers					



### Eligible Use of Funds

- It's for redevelopment
  - Physical activities:
    - Rehabilitation, repair, demolition, removal
  - —Acquisition (fair market value)



### Ineligible Use of Funds...

- —Funds cannot be used for site remediation
- -Funds cannot be used solely for acquisition and demolition without a market-based plan and commitment for redevelopment



### **Local Match**

A 100% match is required

#### **Example:**

IRF Request = \$300,000 Match must ≥ \$300,000 (at least a 1:1 match)

- Private or Public sources (Local, state, federal)
- Cash or documented costs directly related to IRF project
- Project funds already invested from July 1, 2013 to the present may count toward the match, but are not reimbursable.

### **Fund Access**

#### IRF Grants:

- Contract between DHCD and applicant outlining end products, conditions, fund disbursement and termination.
- Funds may only be used for expenses incurred after the signing of the contract.
- IRF funds are available on a reimbursement basis only. Funds may be drawn down to reimburse costs the applicant has incurred and paid for.

#### IRF Loans:

 IRF funding will be released to the private developer pro-rata with other funders or once other sources are expended.

### 2015 IRF Application

- Scored based on Narrative, Distress, Feasibility
  - Distress scores are pre-calculated (Appendix A of Program Design)
- Must be submitted in CAMS
  - DHCD's Centralized Application Management System
- Please review the 2015 IRF Program Design and Application Instruction Manual before attempting an application.

### **Application Overview**

- Project Budget & Narrative
- Project Overview: 14 Questions grouped by funding priorities
- Other Considerations (Extra Credit): Questions 15-19
- Required Attachments/ Supplemental Materials

### **Funding Priorities**

- Clear relationship to a local or regional economic development strategy.
- 2. A high degree of blight and deterioration to be addressed.
- 3. Project readiness with clear end use.
- 4. End use with a clear and significant economic impact.
- 5. Higher degrees of economic distress.

For more information on priorities, see page 4-5 of the Program Design.

### **Project Budget & Overview**

Complete the Project Budget in CAMS and provide information on the proposed project in the narrative section...

- Identify ALL activities that need to be undertaken in order to complete the project and return the property to economic use.
  - Activities that will be accomplished using IRF must be identified as follows: Administration, Clearance & Demolition, Building Construction/Renovation or Other
- Legal costs associated with any activity must be shown on a separate line.
- In the case of activities whose costs will be paid for by funds other than IRF, use the category: Other.

#### **Narrative**

# Questions are related to Funding priority themes including but not limited to:

- Local/regional ED strategies
- Why the property has been targeted
- The economic/social impact of the property in its current condition
- End Use/Economic outcomes
- Project budget/Operating costs
- Match
- Timeline of project activities
- Developer's Capacity (if applicable)
- Etc...

### Other Considerations

#### Up to 5 extra points are available—one each for:

- A significant regional focus -- revenue sharing agreement or projects cited in a formal regional economic development plan.
- Eligibility for local real property tax abatement (§58.1-3221) or other local incentives to encourage property re/investment.
- Location in an Enterprise Zone and ability to qualify for the state and local incentives
- Location in a special district, including Designated Main Street Community status; a local, state or federal historic district; a redevelopment or blight removal district; a Technology Zone; Tourism Zone or other similar district.
- Location in a current CDBG project area.

### Required Attachments & Supp. Materials

- Local Assurances & Authorization signed by Chief Administrative Officer.
- Resolution Locality must pass a resolution authorizing the application
- Property Information
  - Property Description Sheet (included in information packet)
  - Photographs
  - Maps
  - Match Use Chart
  - Additional Project info: pro-forma, resume on developer/principals, financial statements, market feasibility study, proof of recent Phase II environmental, letters of interest or other project related commitments, management plan/operation agreement, Sources & Uses of All funding, Part 1 and/or Part 2 of Historic Tax Credit Certification

### Characteristics of a Strong Project

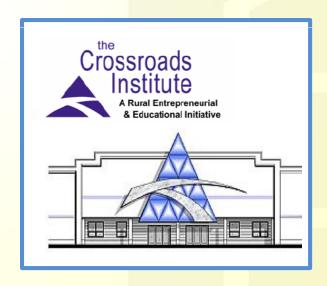
- Can't be finished without the injection of IRF funds
- High degree of blight and deterioration
- Project readiness with a clear end use: Ready to go!
- Significant Economic impact
- Locality has high degree of economic distress
- Clear relationship to local or regional strategy

### Regional Strategy

#### Impacts that reach beyond the building...

→ block → neighborhood → town → region





## Scoring

Relationship to Economic Development Strategy	20%
Project Identification and Description	20%
Readiness, End Use Plans and Impact	30%
Distress Factor	20%
Match	10%
TOTAL	100%
Bonus Considerations	5%

### Timeline

- ASAP: Register your Organization in CAMS
- October 31, 2014: Submittal Deadline
- November, 2014: Application Review
- Winter 2014: Anticipated Grant Announcement





HOME

**BUILDING CODES** 

HOUSING

BUSINESS

COMMUNITY

REGIONS AT WORK

CLG

RESOURCES

#### **ORDER 2012 VIRGINIA CODES**

Effective July 14

#### Early Bird Savings now through June 15!











People Helping People Build a Safer World\*

#### SEARCH DHCD

Search DHCD













#### **DHCD QUICK MENU**

COMPLETE PROGRAM LIST

ABOUT DHCD

BOARDS AND COMMISSIONS

JOB OPPORTUNITIES

PRESS RELEASES

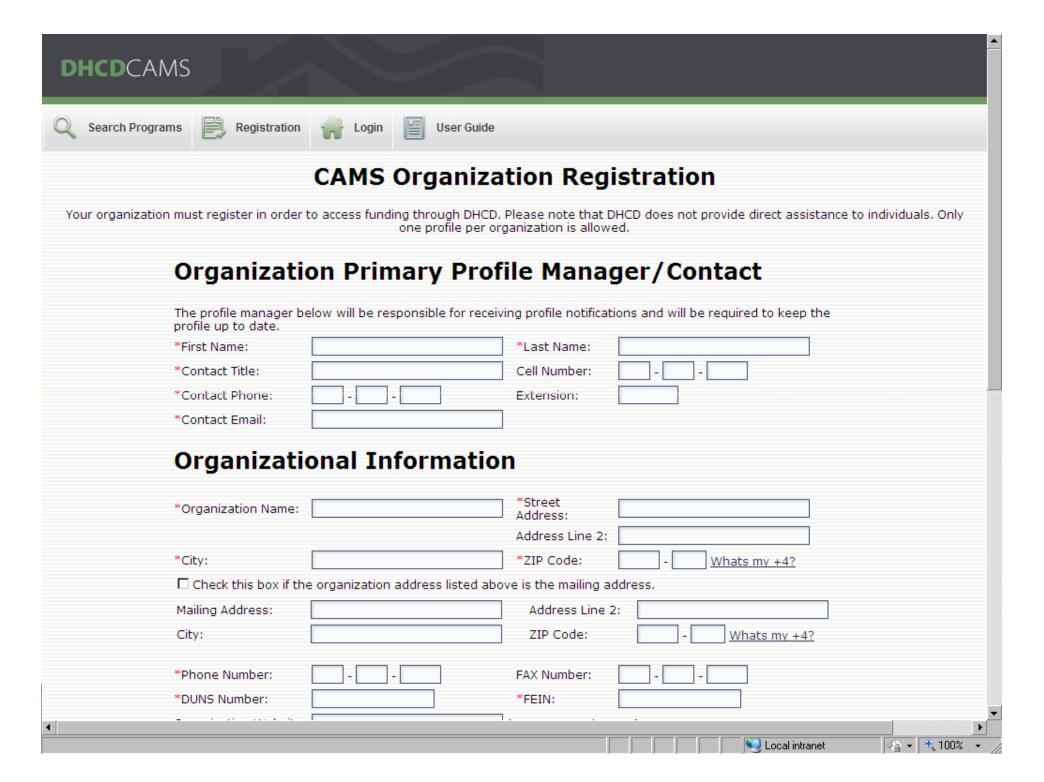
PROCUREMENT OPPORTUNITIES

VIRGINIA HOUSING TRUST FUND PLAN

LOOKING FOR RENTAL HOUSING?







#### **CAMS User Guide**

The CAMS or *Centralized Application and Management System* User Guide is designed as a complete reference tool. The individual documents will be updated to correlate to system updates and feedback from the customer and applicant population.

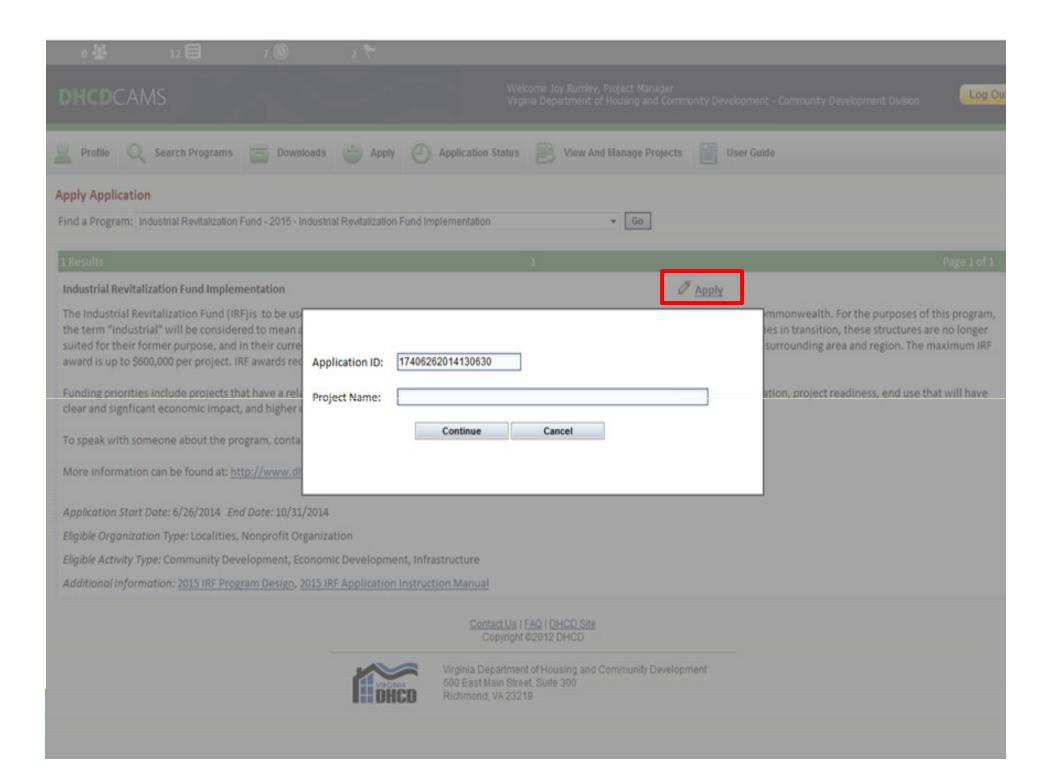
You may also find the <u>FAO</u> to be a helpful resource tool. If you have questions or comments about this guide, please <u>contact us</u>.

#### **Table of Contents**

Link to FAQ Document	2
Search Programs without a Login or Password	
Register for an Organization Profile	2
Manage Organization (Profile Manager will add new users here)	
Log into CAMS	2
Forgot My Password!	2
I want to Reset my Password	2
Apply for Funding	2
Submit a Detail Project Budget	2
Manage Project Roles (Profile Manager only)	2

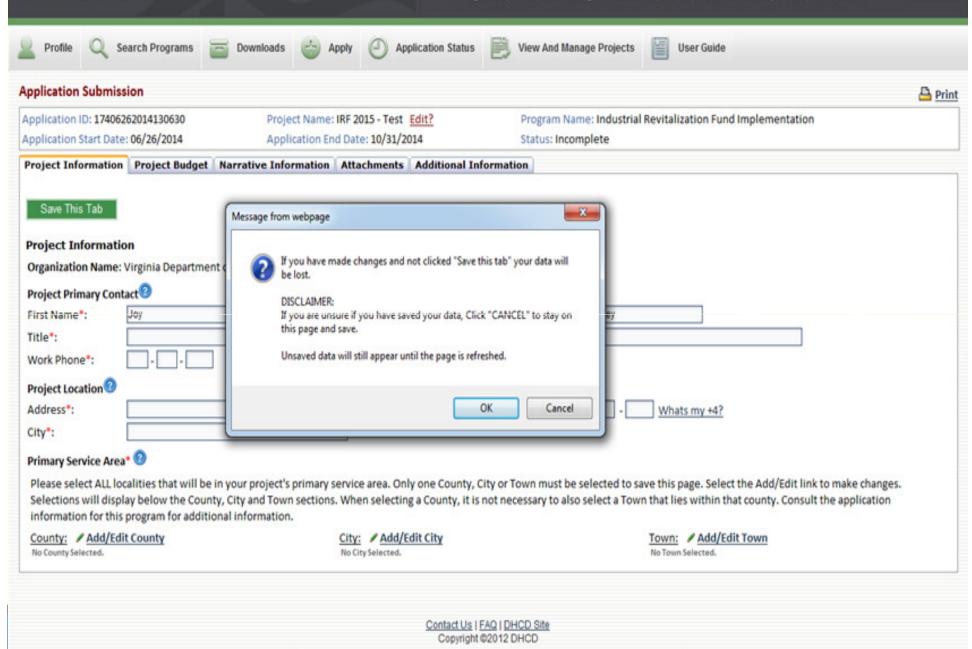
DHCDCAMS  Welcome Joy Rumley, Project Manager  Virginia Department of Housing and Community Development - Community Development Division					
Profile Q Search Programs Downloads Apply Application Status View And Manage Projects User Guide					
Program Search  By Program Name Industrial Revitalization Fund - 2015 - Industrial Revitalization Fund Implementation  By Eligible Org Type: □ CHDO □ Developer □ Housing Authority □ Localities □ Nonprofit Organization □ Other (Private for profit) □ Planning District Commission □ State Agency Go  By Activity Type: □ Community Development □ Economic Development □ Homeless Service □ Housing □ Infrastructure Go  Following search results displays all available programs. Some programs may not be available to all organization types.					
1 Results 1 Page 1 of 2					
Industrial Revitalization Fund (IRF) is to be used for the strategic redevelopment of vacant and deteriorated industrial properties across the Commonwealth. For the purposes of this program, the term "industrial" will be considered to mean any large-scale, non-residential structure. Remnants of past economic vibrancy and local economies in transition, these structures are no longer suited for their former purpose, and in their current deteriorated condition, stand as significant deterrents for future economic opportunity in the surrounding area and region. The maximum IRF award is up to \$600,000 per project. IRF awards require at least a 1:1 cash match. Only one application per locality will be accepted.  Funding priorities include projects that have a relationship to a local or regional economic development strategy, high degree of blight or deterioration, project readiness, end use that will have clear and significant economic impact, and higher degree of economic distress of the applicant.  To speak with someone about the program, contact Louellen Brumgard at Louellen.Brumgard@dhcd.virginia.gov or (804) 371-7069.  More information can be found at: <a href="http://www.dhcd.virginia.gov/irf">http://www.dhcd.virginia.gov/irf</a>					
Application Start Date: 7/1/2014 End Date: 10/31/2014  Eligible Organization Type: Localities, Nonprofit Organization  Eligible Activity Type: Community Development, Economic Development, Infrastructure  Additional Information: 2015 IRF Program Design, 2015 IRF Application Instruction Manual					
Contact Us   FAQ   DHCD Site Copyright ©2012 DHCD					

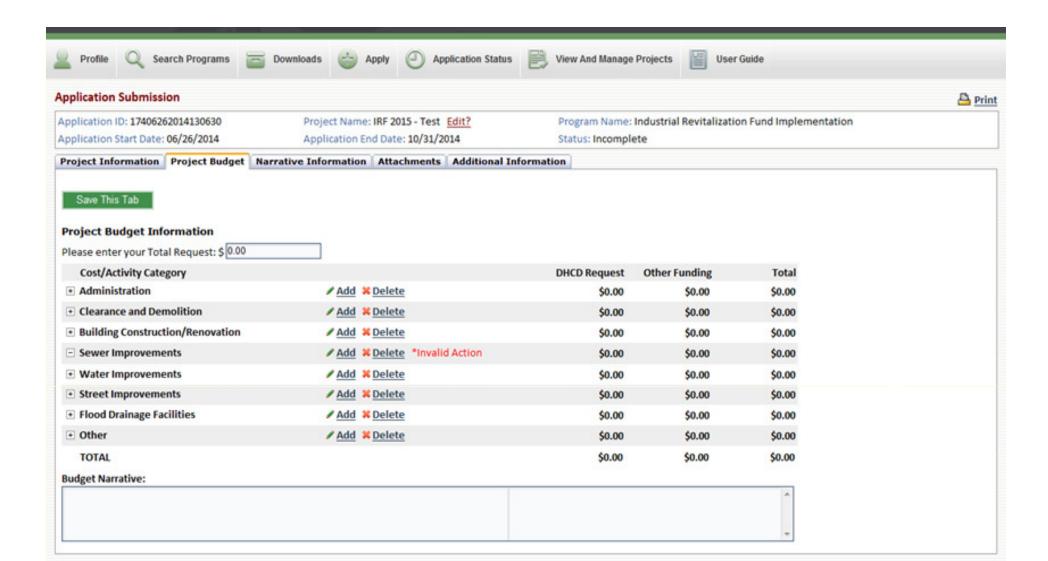




0 🕸 12 🗏 8		
DHCDCAMS		Welcome Joy Rumley, Project Manager Virginia Department of Housing and Community Development - Community Development Division
Profile Q Search Programs	Downloads 😂 Apply 🕘 Application	Status View And Manage Projects User Guide
Application Submission		A Print
Application ID: 17406262014130630 Application Start Date: 06/26/2014	Project Name: IRF 2015 - Test Edit? Application End Date: 10/31/2014	Program Name: Industrial Revitalization Fund Implementation Status: Incomplete
Project Information   Project Budget   No	arrative Information Attachments Addition	onal Information
Project Information Organization Name: Virginia Department or Project Primary Contact  First Name*: Title*: Work Phone*: Project Location  Address*: City*:	f Housing and Community Development - Com  *Required	Last Name*: Email*:  Zip Code*: Whats my +4?
	City and Town sections. When selecting a Coun	ounty, City or Town must be selected to save this page. Select the Add/Edit link to make changes.  nty, it is not necessary to also select a Town that lies within that county. Consult the application
County: / Add/Edit County No County Selected.	City: / Add/Edit City No City Selected.	Town: / Add/Edit Town No Town Selected.
		tact Us   FAQ   DHCD Site copyright ©2012 DHCD
		epartment of Housing and Community Development Iain Street, Suite 300 , VA 23219





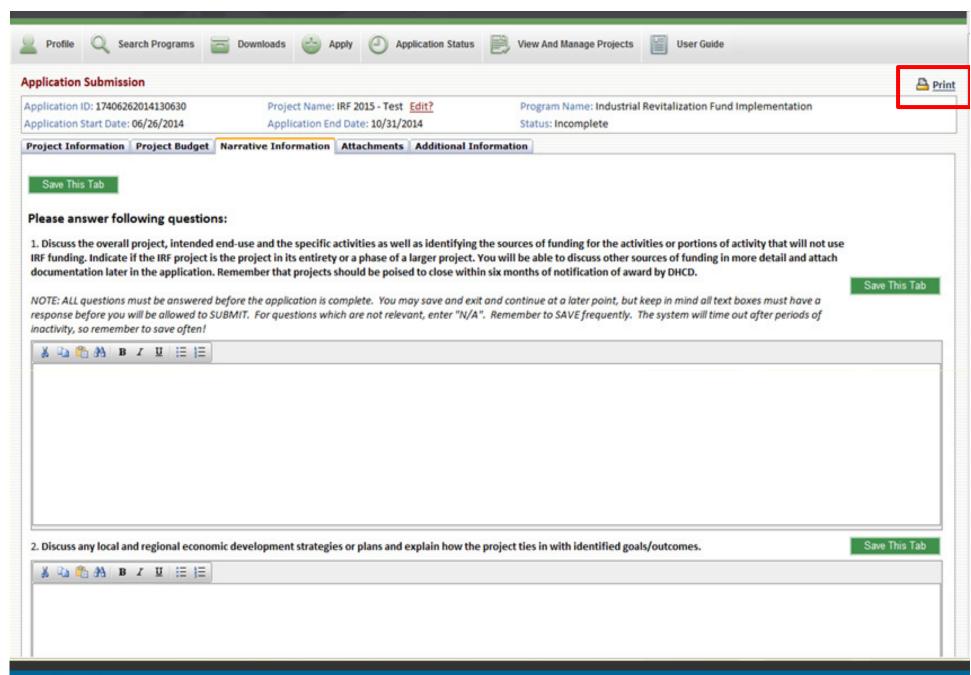


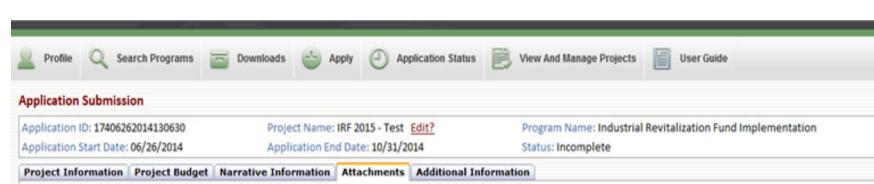
Contact Us | FAQ | DHCD Site Copyright @2012 DHCD



Virginia Department of Housing and Community Development 600 East Main Street, Suite 300 Richmond, VA 23219







Print

Save This Tab

#### Please submit/upload following required documents:

#### UPLOAD ATTACHMENTS INSTRUCTION:

INSTRUCTIONS: You may submit attachments to support your application. When doing so you must provide a separate Table of Contents to outline your attachments. The Table of Contents should indicate the name of the uploaded file and describe the contents of the attachment. When naming your attachments, use file names which identify the attachment's contents.

#### Required Attachments:

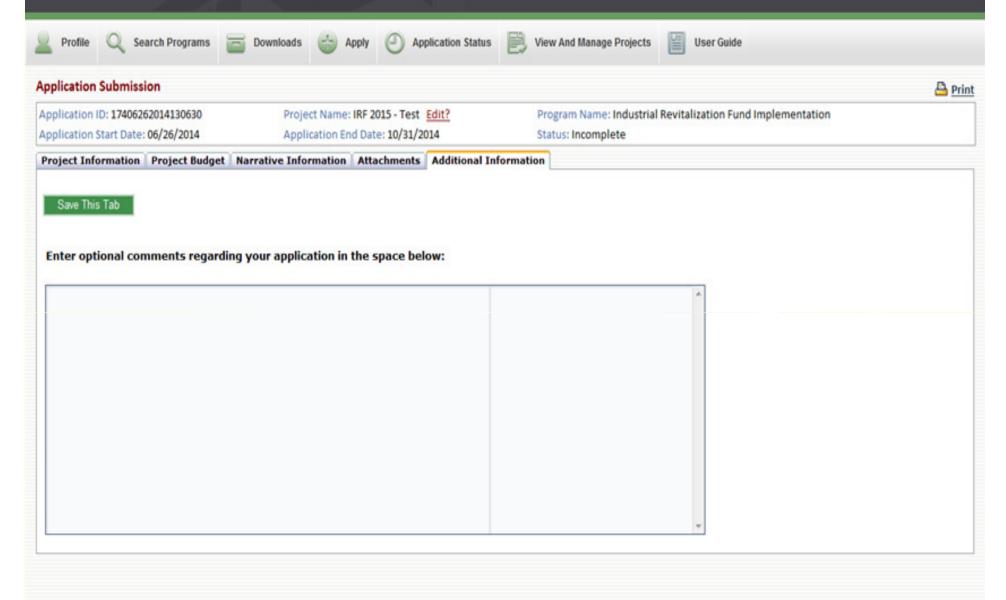
- Resolution: A resolution must be prepared and passed by the governing body of the locality authorizing the application for Industrial Revitalization Funds for the specific property (address
  will be sufficient) and documenting the specific dollar amount in IRF Grant matching funds from the locality and other sources. If the locality is applying on behalf of a non-profit or private
  for-profit entity, the resolution should document the specific match amount and indicate that it is the responsibility of the entity to come up with the match.
- Local Assurances and Authorization: The Chief Administrative Officer for the locality must sign to certify that the information in this application is accurate and correct.
- Property Description Sheet: Complete one sheet per structure to be addressed using the IRF. A strong application will provide a clear idea of the physical need for IRF resources.
- Photographs: Include no more than 9 images of each subject property. Please label the images with the address of the structure. Be sure to include images showing the following:
- Façade and every other face that shows deterioration (no more than 5 images).
- Interior (no more than 2 images).
- Situation shot to show the structure in the context of the property or within a block or street front (no more than 2 images).
- Maps: 8 ½ X 11. Each map should clearly identify locality boundaries; major streets; highways (label) and the targeted property. Please use GIS where available.
- Base map
- Zoning map or land use map
- Match Use Chart: See page 10 of the 2015 Application Instruction Manual for more information and an example.
- Additional Project Info: Attach as Available and label clearly. The more information provided upfront, the sooner the project can get underway.
- Project pro-forma; should include requested amount of IRF funding and underlying assumptions. Use loan assumptions found on page 3.
- Resume on developer/principals
- Financial statements within last 12 months on project principals and global cash flow statement on R/E holdings
- Latest market feasibility study/feasibility study showing demand for new use

- Zoning map or land use map
- · Match Use Chart: See page 10 of the 2015 Application Instruction Manual for more information and an example.
- Additional Project Info: Attach as Available and label clearly. The more information provided upfront, the sooner the project can get underway.
- Project pro-forma; should include requested amount of IRF funding and underlying assumptions. Use loan assumptions found on page 3.
- Resume on developer/principals
- Financial statements within last 12 months on project principals and global cash flow statement on R/E holdings
- Latest market feasibility study/feasibility study showing demand for new use
- Proof of recent Phase II environmental
- Proof of property zoning/re-zoning or specific timeline by which that will be accomplished
- Letters of interest/term sheets from primary funder(s)
- Other project-related commitments (e.g., franchise agreements)
- Management plan/operation agreements
- Sources & Uses of ALL funding and equity in the project and discuss the role of IRF money in terms of filling financing gaps.
- Copies of Part 1 and/or Part 2 of Historic Tax Credit Certification

Review the 2015 Application Instruction Manual for more information on required attachments.

Table of Contents	
	Browse
Resolution	
	Browse
ocal Assurances and Authorization	
	Browse
Property Description Sheet(s)	
to get the template file by clicking <u>HERE</u> )	
	Browse
Photographs (zip folder)	
	Browse
Maps (zip folder)	
	Browse
Match Use Chart	
	Browse
Economic Development Plans or Strategies	
	Browse





Contact Us | FAQ | DHCD Site Copyright @2012 DHCD



#### Welcome Joy Rumley, Project Manager Virginia Department of Housing and Community Development - Community Development Division





Profile

**DHCD**CAMS



Search Programs



Downloads





Application Status



View And Manage Projects



User Guide

#### **Application Status**

Incomplete Applications:

Application ID

Project Name

Withdraw

Application ID	Project Name	Program Name	Updated		
12708052013112202	Report Template Test	<b>Building Collaborative Communities</b>	8/5/2013	Edit	Withdraw
8501272014102424	TEST- DHCD DO NOT PROCESS 1/27/2014	BEE Planning Grants - FY 2014	1/27/2014	Edit	Withdraw
15401272014160814	DHCD Test of Competitive Application	Competitive - 2014	2/27/2014	Edit	Withdraw
15301292014163859	Un Test	Urgent Need - 2014	1/29/2014	Edit	Withdraw
14801292014164151	CR Test	Construction-Ready Water and Sewer - 2014	1/29/2014	Edit	Withdraw
12401312014141027	Access Test	ARC Access Road	1/31/2014	Edit	Withdraw
15003042014140713	Test	Community Development Local Innovation - 2014	3/4/2014	Edit	Withdraw
17406262014130630	IRF 2015 - Test	Industrial Revitalization Fund Implementation	6/26/2014	Edit	Withdraw

Pending Applications:

No Applications Found!

In Progress - Applicant: No Applications Found!

In Progress - DHCD: No Applications Found!

Approved Applications:



Application ID	Project Name	Program Name	Approved	
5001162013141614	My Test II. Testing March 26, 2014	CDBG Planning Grants - 2013	1/18/2013	View

#### For more Information

#### **Louellen Brumgard**

Louellen.Brumgard@dhcd.virginia.gov

804-371-7069

#### **Alexis Thompson**

Alexis.Thompson@dhcd.virginia.gov

804-371-7040

**Joy Rumley** 

Joy.Rumley@dhcd.virginia.gov

276-676-5471 ext. 7

www.dhcd.virginia.gov/IRF